

Review of Equity in Contracting at Communities of Opportunity

EXECUTIVE SUMMARY

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Authors and Acknowledgements

King County Communities of Opportunity (COO) engaged Victoria Garcia Tamayo, Community Consultant of Contacto Consulting, to conduct a review of COO contracting using an equity framework.

Many thanks to the COO partners who took the time to share about their experiences in engaging with COO through the life of their contracts.

Thanks to the staff from COO, Best Starts for Kids (BSK), Procurement and Real Estate Services (CPRES), Finance & Business Operations Division (FBOD), Public Health, and (Policy Development and Evaluation) APDE for connecting us with partners and for sharing their insights, compiling documents, refining the interpretation of the results, and reviewing report summaries and drafts. We would like to especially thank Cristina Gonzalez and Kalayaan (Kai) Domingo for their vision and leadership for this assessment, as well as Whitney Johnson for her guidance and reviews of this report.

Introduction

Communities of Opportunity (COO) is a public-private-community initiative of King County's Best Starts for Kids (BSK) and the Seattle Foundation. COO believes that policy and systems changes, centering racial equity, are critical to creating healthy and thriving communities. The intent of this review is to provide COO and institutional funding partners with a grounding on what has worked and where there are areas for improvement to make contracting and funding systems and practices fairer, more equitable and therefore more effective in moving King County closer to its equity goals and commitments.

From September 2021 to February 2022, COO worked with Contacto Consulting to document where and how COO has been successful in creating more equitable contracting processes, and what gaps continue to exist. The assessment relied on a literature review, an examination of similar efforts of other public entities, a review of internal COO, BSK and King County documents, and in-depth qualitative interviews and listening sessions with 24 key internal and external constituents.

Participants included King County, BSK and COO staff, as well as community-based organization staff and community consultants who have partnered and contracted with COO. We ensured that interviewees were representative of the types of contracts that COO develops and the strategies under which we fund.

The following questions guided the review:

1. How is equitable contracting defined by experts in the field? What are the best practices, processes, and values in equitable contracting?
2. Where and how has COO been successful in creating more equitable contracting processes? What have been the impacts of those changes?
3. Where have COO and community partners run into challenges? How has the initiative responded and adapted? How have the system(s) in which COO exists responded, adapted or changed?
4. How is equitable contracting demonstrated or measured?
5. What contracting processes should COO continue? Which ones should COO examine further?

This review was conducted as other similar efforts related to equitable contracting are simultaneously occurring within King County. On April 2021, Executive Dow Constantine signed the Pro-Equity Contracting Executive Order. The county has formed an interdepartmental steering committee to guide best practices in procurement and contracting, is exploring conducting a disparity study, and is identifying innovative contracting methods to promote the use of minority- and women-owned business enterprise (MWB) contractors. Additionally, through a CDC COVID-19 health disparities grant, Public Health is analyzing ways to make the department's contracting more accessible to small organizations.

Definition of equitable contracting

For the purposes of this review, equitable contracting is a system in which no matter the size of an organization, the communities served, the language spoken, or the level of education, anyone has the same access and opportunity to public resources.

Equitable contracting creates the environment for organizations whose needs are greatest and whose access has historically been limited to participate in the public contracting. It is considered a policy, a practice, and an institutional culture.

Equitable Contracting within Communities of Opportunity

Where and how has COO been successful in creating more equitable contracting processes? What have been the impacts of changes made by COO? Where have COO and community partners run into challenges? The following infographic summarizes the findings about these questions.

<p>representation advocate for systems change build trust with partners program managers</p>  <p>TRUST</p>	<p>investments involvement of community members walk the talk continued feedback</p>  <p>ROOTED</p> <p>power dynamics tension faced by BIPOC staff</p>	<p>approach technical assistance evaluation criteria encourage content over form for RFP responses unusual partners language access</p>  <p>APPLICATION</p> <p>opportunity for in-language meetings broaden access to top three tier languages</p>	<p>intentional investment throughout life of contract</p>  <p>CAPACITY</p> <p>more education about reporting and site visits equitable contracting education to staff very small and nascent groups and collectives</p>	<p>steps for setting up a contract go smoothly intentional effort to try to make contracting as easy as possible liaison between PMs/procurement internal contract workflow system</p>  <p>CONTRACTS</p> <p>complex language indemnification requirements overburden for lead agencies insurance requirements intellectual property provision disconnect between submitting paperwork to PM and finance team deliverables added after signed agreement limited contract staffing for BSK and COO</p>	 <p>SUBCONTRACTS</p> <p>"hiccup", "bottleneck" lead agencies carrying all responsibilities for contract communication issues clarity re: contracting and budgeting agreement and roles in plain language</p>	<p>goals and approach of COO built flexibility and understanding performance-based/ cost-reimbursable co-design with partners flexibility in amending adjustments to milestones</p>  <p>DELIVERABLES</p> <p>tension between enough funding / proposal that can be funded funder/funded power dynamics pressure to "chase after the will of funders" and fit goals within prescriptive RFPs</p>	<p>access to evaluation technical assistance</p>  <p>REPORTING</p> <p>hardest, longest, more time-consuming Q: repetitive and rigid tables, spreadsheets add complexity translation of activities within templates timing of annual report monthly+mid-term/annual: excessive and redundant different Q, tables for different awards: complex issue of lack of trust</p>	<p>shift in mindset re: approach to learning resources accompany efforts staff and partners collaborate on offerings safe and comfortable spaces to participate Meeting The Moment</p>  <p>LEARNING COMMUNITY</p> <p>time is a barrier online burnout</p>	<p>long-term funding commitment contract extensions King County and Seattle Foundation partnership provides flexibility payment options transparency and right-sizing during 2021-2022 transition</p>  <p>BUDGET</p> <p>uncertainty about reduced budgets and upcoming application requirements pressure of competition against peers partners: difference between COO and Seattle Foundation? timeframe given to community partners during 2021-22 transition could have been longer</p>	 <p>SYSTEMWIDE</p> <p>King County requirements and rules room for examining policies vs. practices tension between COO staff and King County bureaucracy community partners feel COO staff receive a lot of pushback opportunity for King County to deepen work of being better partners</p>
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Best Practices and Recommendations

This is a summary of best practices identified by experts in the field and interview participants, contrasted with COO’s areas of strength:

Equitable Contracting Best Practices		COO Areas of Strength
People 	<ul style="list-style-type: none"> • Share power among leadership, staff, partners and community. • Assign staff for contracting equity. Build their capacity and time. 	<ul style="list-style-type: none"> • PMs have the best pulse on what happen in communities. • Community partners trust program managers.
Assessment 	<ul style="list-style-type: none"> • Determine barriers and unintended consequences. • Identify gaps between written policy and practice. 	<ul style="list-style-type: none"> • This review is a step for evaluating equitable contracting. • Constantly considers feedback • Existing written tools and procedures • COO has pushed boundaries in contracting.
Contract Structure 	<ul style="list-style-type: none"> • Have goals for including orgs/small businesses led by BIPOC. • Have bidding cutoff for projects below a certain amount. • Evaluate proposals based on best value as opposed to low cost 	<ul style="list-style-type: none"> • Solid foundation through procedures, relationships • Approach embeds goals for including BIPOC-led orgs. • Co-designed deliverables with partners • Commitment to support specific populations • Use of best-value contracts in COO & King County in general. • KC reserves contracts for certified small contractor
Capacity Building 	<ul style="list-style-type: none"> • Train elected officials/staff about equitable procurement. • Assign at least 1% of projects to capacity building of orgs. • Partner with orgs to offer credit, capital investment, insurance • Provide TA in business planning, tax compliance, certification. 	<ul style="list-style-type: none"> • Many capacity building and TA opportunities offered • In BSK, capacity building is a separate strategy. • Renewed BSK levy assigns up to \$50M in capital investments. • Capacity building in business planning and tax compliance
Technology and Data 	<ul style="list-style-type: none"> • Use simple technology for bidding, signing, submitting contracts. • Use a simple evaluation platform with uniform indicators. 	<ul style="list-style-type: none"> • Effective internal workflow system to manage contracts
Procurement Ecosystem 	<ul style="list-style-type: none"> • Partner with private sector, nonprofit anchors, and public agencies. • Use/support race-conscious policies and policies that include orgs/small businesses from historically underfunded communities. 	<ul style="list-style-type: none"> • COO: example of a public-private partnership, a best practice • Work with nonprofit anchors and subcontractors • Willingness to expand public-private partnerships in King Co.
Shared Knowledge 	<ul style="list-style-type: none"> • Create equitable contracting toolkits. Align across agencies. • Develop community of practices to facilitate cross-sector training. 	<ul style="list-style-type: none"> • Learning Community is a best practice. • Orgs appear to have better understanding of requirements—possible indication of CoP, trainings & TA’s success.

Measuring Equitable Contracting

Equitable contracting can be measured through several means, including tracking the funding awarded and mapping increases and decreases; and monitoring the percentage of contracts with BIPOC-led organizations, mapping percentages up or down. Disparity studies are the recommended tool for larger agencies such as King County. For specific initiatives such as COO, using a combination of RFX responses, executed awards, payment records, and contract closeout reports provide sufficient information if monitored over time. Tracking race, ethnicity, gender status and geographic spread is required to map disparities. Analyses must be conducted periodically.

To measure and evaluate equitable contracting, COO currently uses solicited and unsolicited anecdotal feedback from communities and staff. The Learning Community indirectly provides some documentation. This assessment is a move toward evaluating equitable contracting. There is opportunity to capture information in a systematic way.

Areas of Opportunity and Recommendations

The follow set of recommendations for COO to continue advancing equity in contracting are grounded on the above-mentioned best practices. In many cases, these recommendations are intended for the systems in which COO operates (King County and BSK), given the interdependencies that exist. Recommendations identified as high priority/high urgency are marked with a star (★).

People

1. ★ *Shift more power to COO staff who are on the ground with the organizations.* Partners would like to see staff closer to being decisionmakers.

Assessment

2. ★ *Conduct a systematic equity review of all COO, BSK, Public Health and DCHS policies and practices related to procurement and contracting, as a follow-up to this assessment and within the Pro-Equity Contracting initiative.* Include tools and materials used by staff and community partners.

Contract structure

3. ★ *Align more with BSK and within COO strategies around contracts, financial information collected, and invoicing.* Create a more seamless, easier process for community partners to apply and contract, and for how you work with communities through the life of the contract.
4. ★ *Align cross-department policies placing equity at the center of contracting.* Build on the momentum around equitable contracting. Shine light on COO's best practices, influence other entities interested in equitable contracting, and request support for gaps that still exist.
5. ★ *Maintain the lean application and reporting approach used in 2020.* It was possible to reduce the barriers then; it can be maintained now. Consider continuation grants and renewing existing grants with proven partners, with simplified applications.
6. *Aim for trust-based philanthropy as the ideal state in community partnerships.* It is about trusting the partnership, knowing that sometimes when you're building as people of color, you're building out goals and action and may not move at the same speed.
7. *Allow community partners to decide how they would like to receive funding.* Involve both lead agencies and subcontractors in the decision.

8. ★ *Foster better connection and communication between program managers, lead agencies and subcontractors.* Assure that subcontractors have clear understanding of essential information such as contracting and budgeting.
9. *Explore broadening language access to COO contracting opportunities to at least the top three tier languages for King County.* Consider offering in-language meetings and Learning Community opportunities for Spanish speaking community members.
10. ★ *Increase the threshold and reduce requirements for small contracts.* Small grants of a certain value allow for much more flexibility. Contract staff consider that even doubling that limit would greatly benefit small community-based organizations and consultants.
11. ★ *Continue working with Risk Management to reduce or waive insurance requirements for small contractors and low-risk projects.* The acceptance of risk is imperative in moving toward equitable contracting. Staff across departments agree that the county is able to take on risk where historically it's been risk averse. Consider offering learning opportunities in this area before partners sign contracts.

Capacity building

12. *Train elected officials about implementing inclusive procurement policies.*
13. ★ *Find ways to increase community partners' administrative and financial management capacities.* Consider funding an auditor or accountant when audits are required. Consider offering learning opportunities in this area before partners sign contracts.
14. *Partner with organizations that provide lines of credit.* Include this topic in the education of elected officials. Work closely with contracting and procurement staff to interpret existing county rules and guidelines and to find creative alternatives.

Technology

15. ★ *Along with BSK and other King County departments, select a single platform to receive applications and review, sign, and submit contracts.* Community partners and consultants would like to see one simple platform used for all King County contracting opportunities.
16. *Select and implement one simple evaluation platform with uniform indicators.*
17. ★ *Simplify community partner reporting.* Partners understand that COO needs to know its impact, and wonder if there may be a different way to gather this information. Consider modeling other funders, including BSK, in simply asking for a narrative.

Procurement ecosystem

18. *Build an "equitable contracting ecosystem" with other funders and public agencies outside of King County.* Find opportunities to align with anchor institutions, public entities, and systems around shared values, goals, funding, and strategies.

Shared knowledge

19. *Share your knowledge, experience and expertise about equitable contracting with other departments.* There is opportunity for more formal cross divisional and cross departmental trainings and sharing of knowledge. Work in concert with BSK staff to continue to learn from each other.
20. *Sustain the Learning Community model, co-creating it with community partners and deciding goals as a collective.* Build TA capacity through consultants or by balancing staff responsibilities. Partners ask that COO continues to elevate existing efforts occurring in the community, as opposed to creating new and separate work. Use short videos, infographics, and other quick and easy tools.